

Daily Market News

11th July 2018

DOMESTIC NEWS

It was another day of trading dominated by the recent theme of matching flows as the Kenya shilling oscillated within a tight range against the greenback.

Supply from both corporate and interbank players just about matched foreign currency demand to see the home unit end the session unchanged from previous close.

The outlook for the local unit remains largely range bound as we expect market activity to steadily pick up in the local FX scene.

Amounts	Today's	
	Opening	
	Buy TT	Sell TT
USD/KES	96.15	102.05
GBP/KES	129.40	135.40
EUR/KES	112.35	120.00
JPY/KES	86.95	92.95

Forward Rate (USD)	
1 month	
BUY	99.25
SELL	103.75
3 Months	
Buy	100.60
SELL	105.25

Money Market Rates	Previous	Current	Change bps
Interbank Rate	4.70%	4.51%	-19.00
91-Day T-bill	7.733%	7.725%	-0.80
182-Day T-bill	9.607%	9.499%	-10.80
364-Day T-bill	10.488%	10.442%	-4.60
Inflation	3.73%	3.95%	+22.00

Source: CBK



Source: Bloomberg

INTERNATIONAL NEWS

The U.S. dollar continued to rise against its peers boosted by upbeat U.S. labour market data, with the dollar index peaking at 93.98 during Tuesday's trading session.

The latest jobs report showed that the U.S. economy created 6.64 million job openings in the month of May, beating expectations for 6.58 million, and strengthened calls for further increases in U.S. interest rates.

The EURUSD dropped to a low of 1.1719 on the day following disappointing Eurozone data. Eurozone Economic Sentiment dropped to -18.7 points, much weaker than the estimate of -13.2 points.

The pound slid further against the dollar, rattled by additional resignations from Prime Minister Theresa May's government, after Conservative Party's vice chairs, Maria Caulfield and Ben Bradley, resigned to show their discontent with May's Brexit compromise plan.

The Yen rose against the dollar this morning amid escalating trade tensions. This after the U.S. said it would impose tariffs on an extra \$200 billion worth of Chinese imports late Tuesday. The USDJPY pair has dropped to 110.85 after hitting a seven-week high of 111.35 in the previous session.

Indicative Deposit Rates			
Amts > KES 20 million		Amounts > 100,000	
KES		USD	EURO
Call	6.65%	0.75%	0.00%
1 month	7.00%	1.00%	0.00%
3 months	7.25%	1.25%	0.00%
6 months	7.50%	1.50%	0.00%

Indicative Cross Rates		
	Buy	Sell
EUR/USD	1.1250	1.2250
GBP/USD	1.2770	1.3770
USD/JPY	106.00	116.00
USD/CHF	0.9750	0.9999